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"To enrich lives through effective and caring service"

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July 12, 2012

To: Supervisor Zev Yaroslavsky, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Tom Tindall *Tom Tindall*
Director

Subject: **ENERGY UPGRADE CALIFORNIA – LOS ANGELES COUNTY
STATUS REPORT (RESPONSE TO ITEM 15, AGENDA OF
MARCH 6, 2012) – STATUS REPORT #5**

On March 6, 2012, your Board, on motion of Supervisor Yaroslavsky, instructed the Chief Executive Office (CEO) and the Director of the Internal Services Department (ISD) to:

1. Maintain data, which shall be updated as often as feasible but no less than once per month, showing the number of participants within each component subprogram of Energy Upgrade California – Los Angeles County (EUCLA), including data showing the number of participants who have, within each subprogram: (a) applied for participation in each of the respective sub-programs, (b) received approval of their application, (c) begun physical improvements of their home/commercial location (where applicable), (d) completed physical improvements (where applicable), and (e) received rebate checks or otherwise successfully finished their participation in the program;
2. Establish goals for the number of total participants over the life of the program for EUCLA overall and within each subprogram;
3. Establish benchmarks by month for EUCLA overall and within each subprogram by which the progress of the total program and each subprogram shall be measured;

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4. Maintain a narrative description, which shall be made available to the Board of Supervisors no less than once per month, of the steps taken to improve performance of EUCLA overall and for any subprogram in any month in which the benchmarks established in #3 are not met for EUCLA overall and for each subprogram, potentially including, as the CEO and Director of ISD deem appropriate, a reallocation of resources from underperforming subprograms to subprograms that are meeting or exceeding benchmarks.

This memorandum provides the fifth status report on the EUCLA program, updated through June, 2012.

Program participation continues to grow, and the FlexPath subprogram now comprises a majority of total applications. Attachment I provides graphics and narratives illustrating status for the Advanced, Basic, and FlexPath subprograms of EUCLA. Additional graphics and narratives show goals and monthly benchmarks to measure progress as well as program changes, lessons learned, and program revisions to increase program participation and/or reallocate resources.

ISD continues to work closely with grantor agencies, the energy contractor community, finance professionals, and the project team to design initiatives to increase program participation. EUCLA will continue to adapt as the energy efficiency market develops.

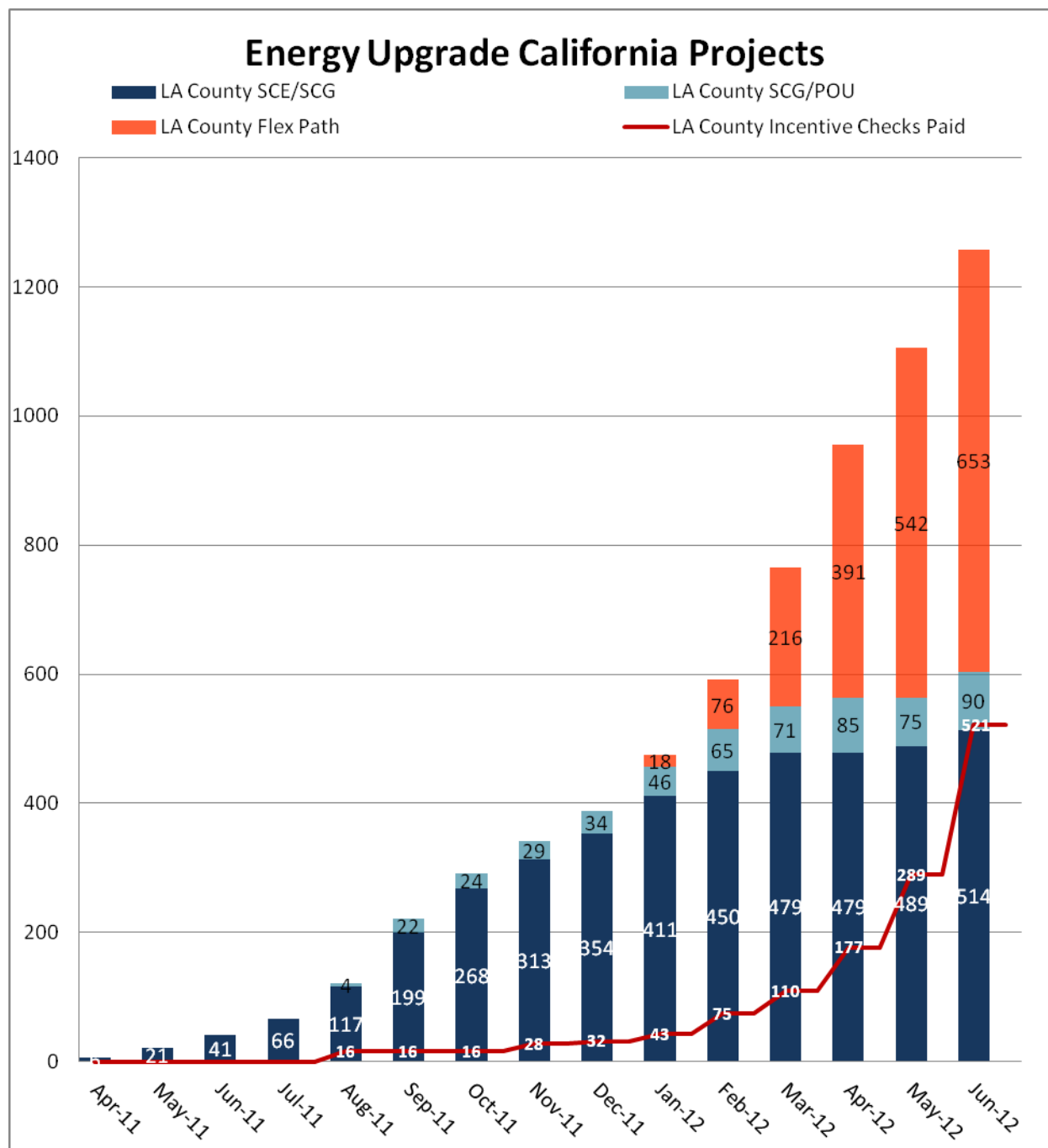
If you have any questions, please contact me at 323-267-2101.

TT:JJ:HC:TW
Attachment

c: ISD Board deputies
Chief Executive Officer
Executive Officer, Board of Supervisors
Deputy CEO Operations

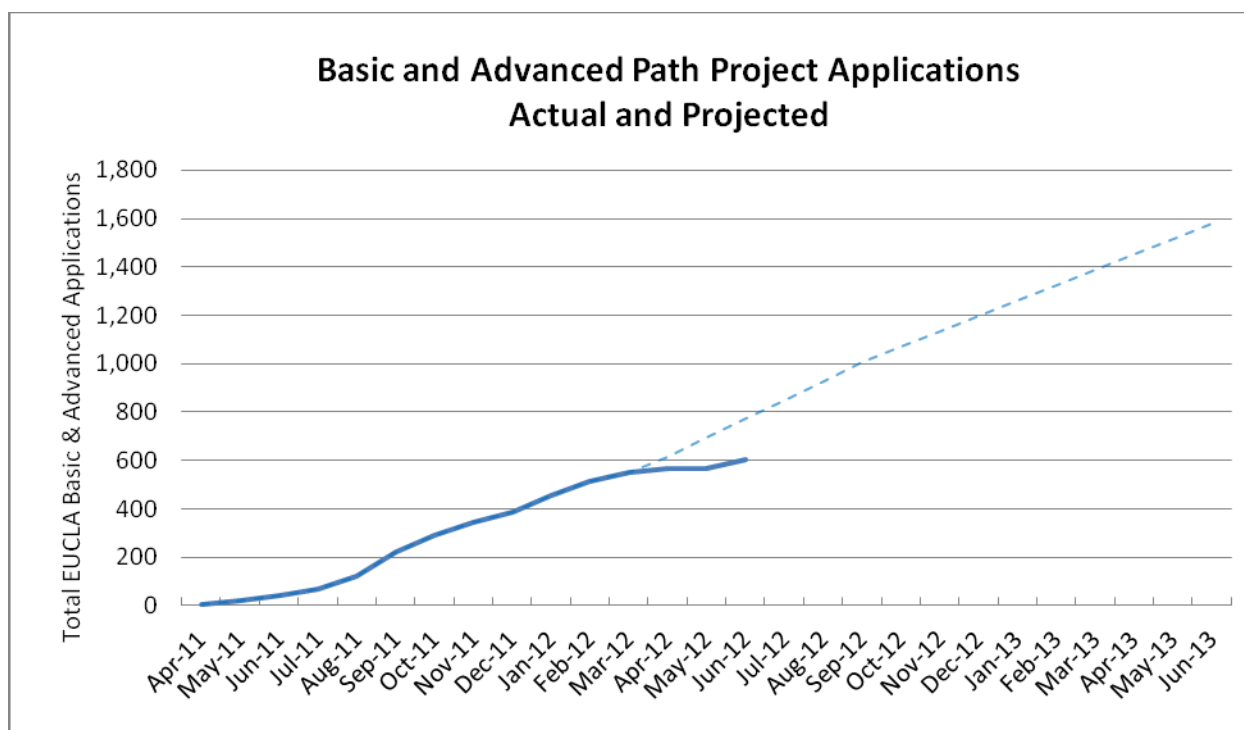
Monthly EUCLA Graphics/Narrative – Through July 1, 2012

The following are status charts for the Energy Upgrade California in Los Angeles County (EUCLA) program and its subprograms. Also included is a narrative summarizing significant program accomplishments for the month of June.

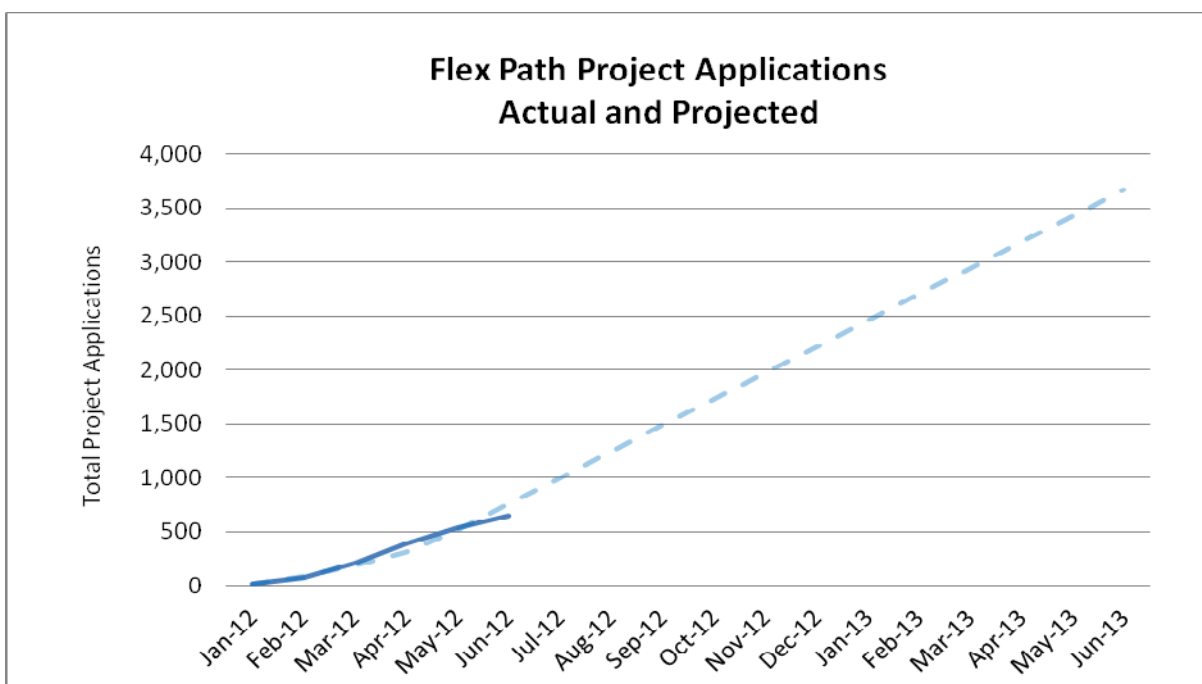


THE MONTH OF JUNE SHOWS AN INCREASE IN ADVANCED PATH PROJECTS AND FLEXPATH PROJECTS, AND THE PROCESSING OF INCENTIVE PAYMENTS TO HOMEOWNERS HAS GREATLY INCREASED.

Monthly EUCLA Graphics/Narrative – Through July 1, 2012

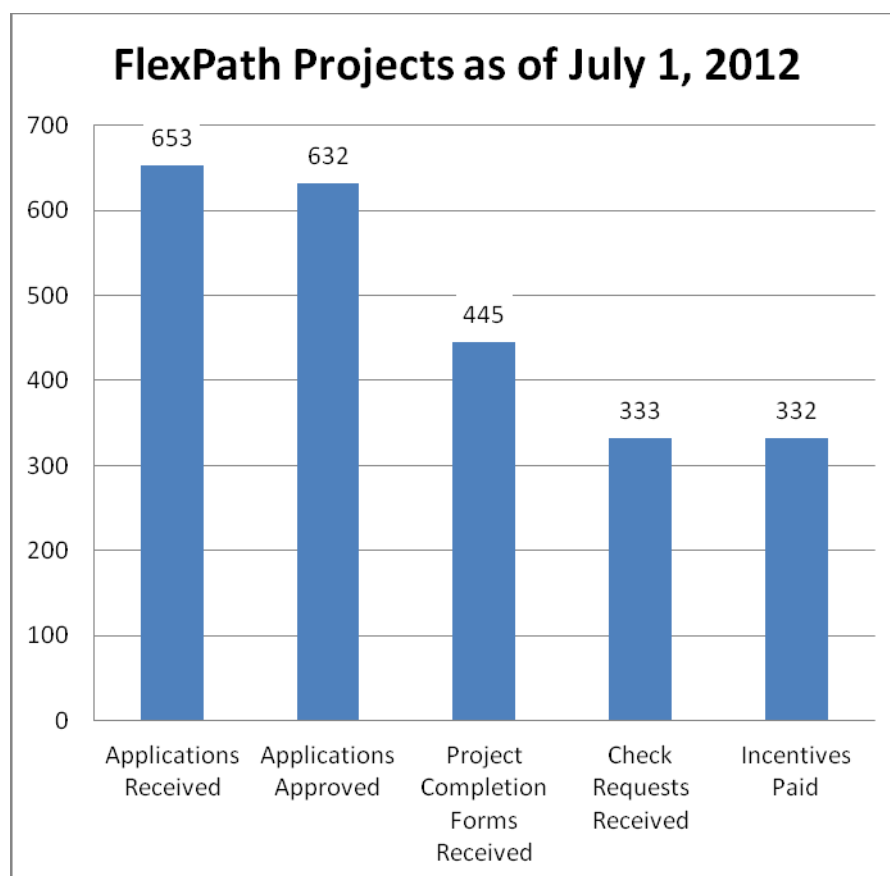


THIS GRAPH SHOWS A CUMULATIVE TOTAL OF ALL BASIC AND ADVANCED PATH PROJECT APPLICATIONS THAT WERE SUBMITTED UNDER THE SCE/SCG PROGRAM (NOT INCLUDING FLEXPATH). THE MONTH OF JUNE SHOWS A RETURN TO AN UPWARD TREND, WITH 26 NEW ADVANCED PATH PROJECTS.



THIS GRAPH IS A REPORT OF CUMULATIVE FLEXPATH PROJECT APPLICATIONS SUBMITTED THROUGH THE END OF JUNE. JUNE APPLICATIONS DIPPED BELOW PROJECTIONS, BUT ONLY SLIGHTLY. THE PROGRAM TARGET HAS BEEN INCREASED TO 1,500 PROJECTS.

Monthly EUCLA Graphics/Narrative – Through July 1, 2012



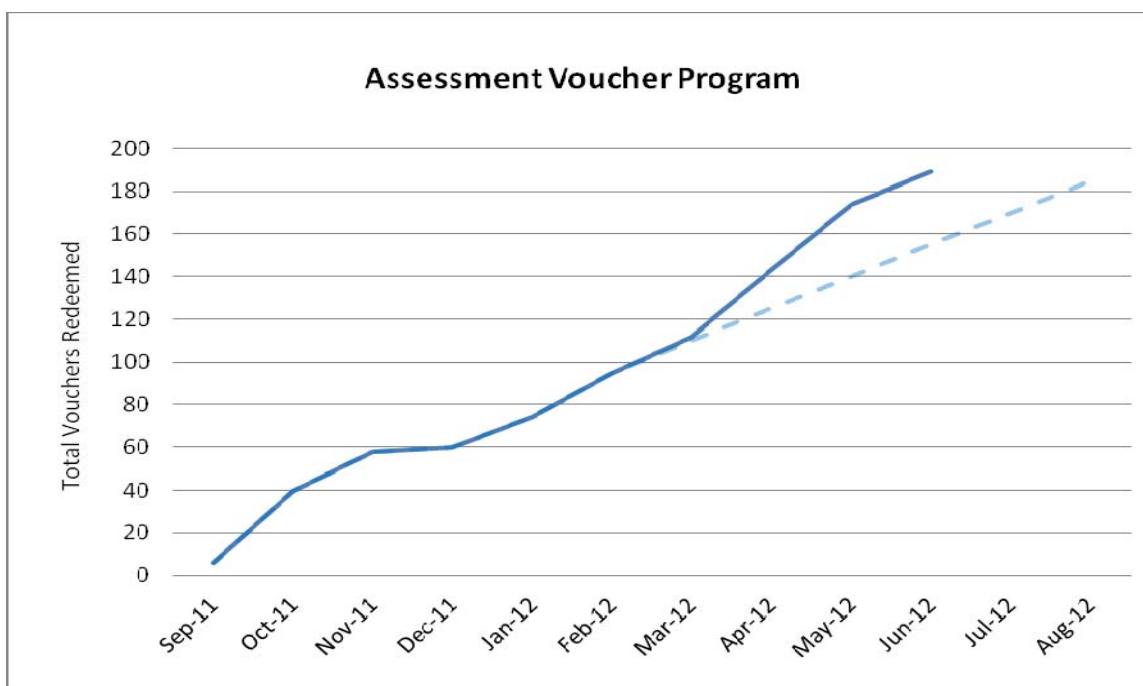
THE GRAPH ABOVE SHOWS CUMULATIVE TOTALS FOR THE FLEXPATH PROGRAM THROUGH THE END OF JUNE.

THE PROCESSING TIME FOR APPROVAL OF APPLICATIONS IS AVERAGING 3 DAYS, AND ELAPSED TIME FROM RECEIPT OF COMPLETION FORMS TO ISD PROCESSING OF INCENTIVE PAYMENTS IS AVERAGING ONLY 8 DAYS.

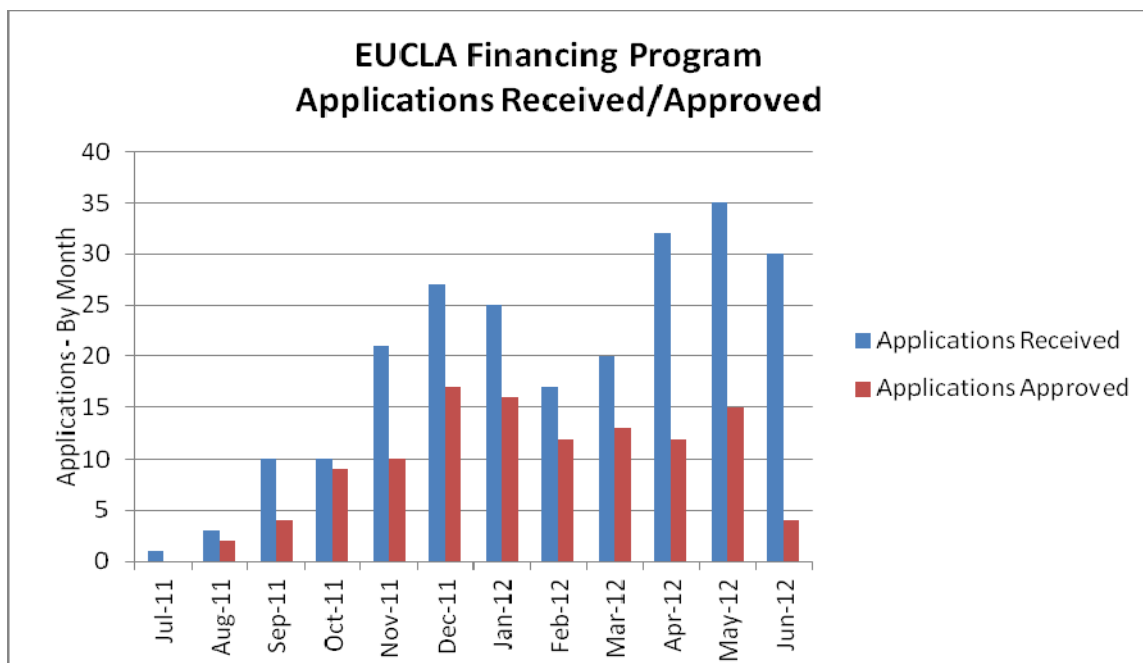
Breakdown of Upgrade Projects and Cost/Savings (June 2012)				
Project Breakdown - LA County	Number of Projects	Average Energy Savings	Average Cost	Average Rebate (Utility + LA County)
Advanced - 46% of Projects	581	27%	\$12,429	\$4,989
Basic - 2% of Projects	23	10%	\$4,475	\$2,000
Flex - 52%	653	16.7%	\$5,132	\$1,500*

**This incentive is paid by LA County only. Some Utility single measure rebates may be added.*

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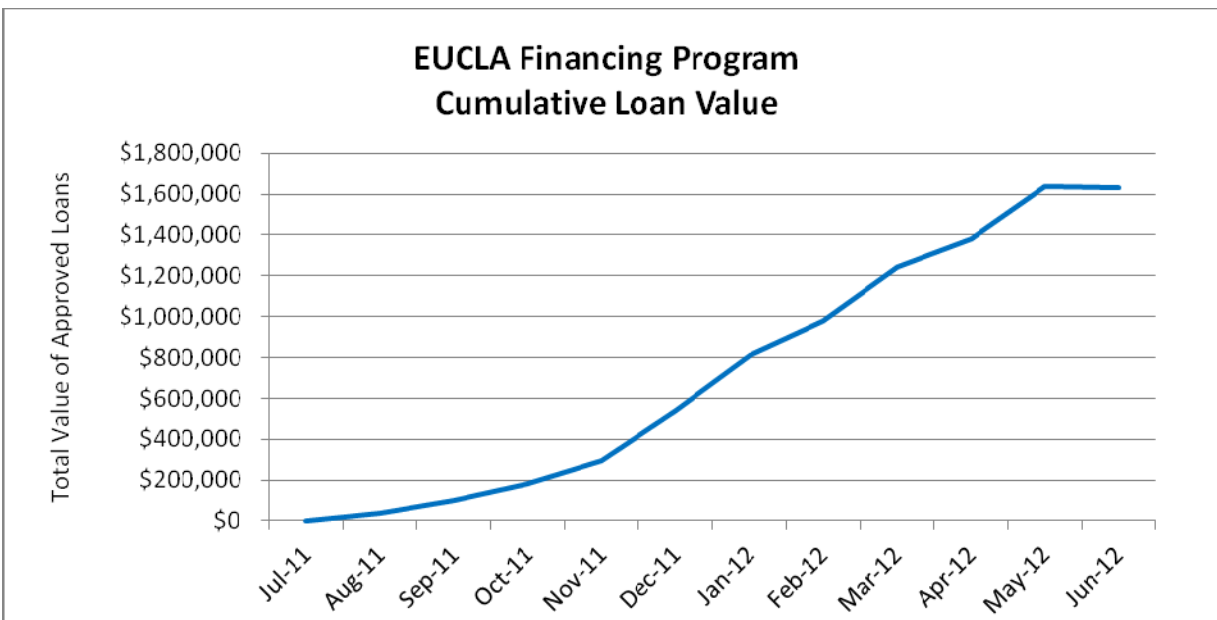


ASSESSMENT VOUCHERS CONTINUE TO BE VERY POPULAR, BOTH AS A SALES TOOL FOR CONTRACTORS, AND A WAY OF MITIGATING THE INITIAL COST OF AN ENERGY EFFICIENCY ASSESSMENT FOR HOMEOWNERS.

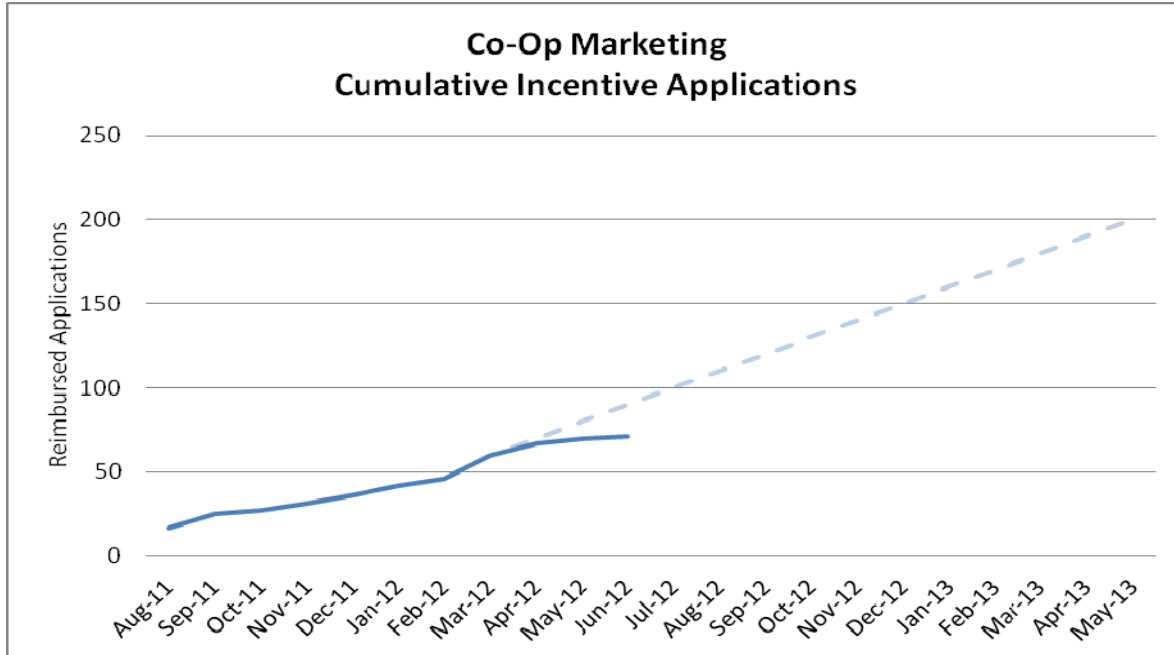


THE MAJORITY OF LOAN APPLICATIONS ARE STILL TAKING ADVANTAGE OF THE 2% INTEREST RATE PROGRAM. ALTHOUGH FLEXPATH PROJECTS ARE BEING FINANCED, THERE HAVE BEEN ONLY A FEW, SINCE THE AVERAGE FLEXPATH PROJECT COST IS WELL BELOW THE AMOUNT FOR WHICH MOST PEOPLE WILL SEEK FINANCING.

Monthly EUCLA Graphics/Narrative – Through July 1, 2012

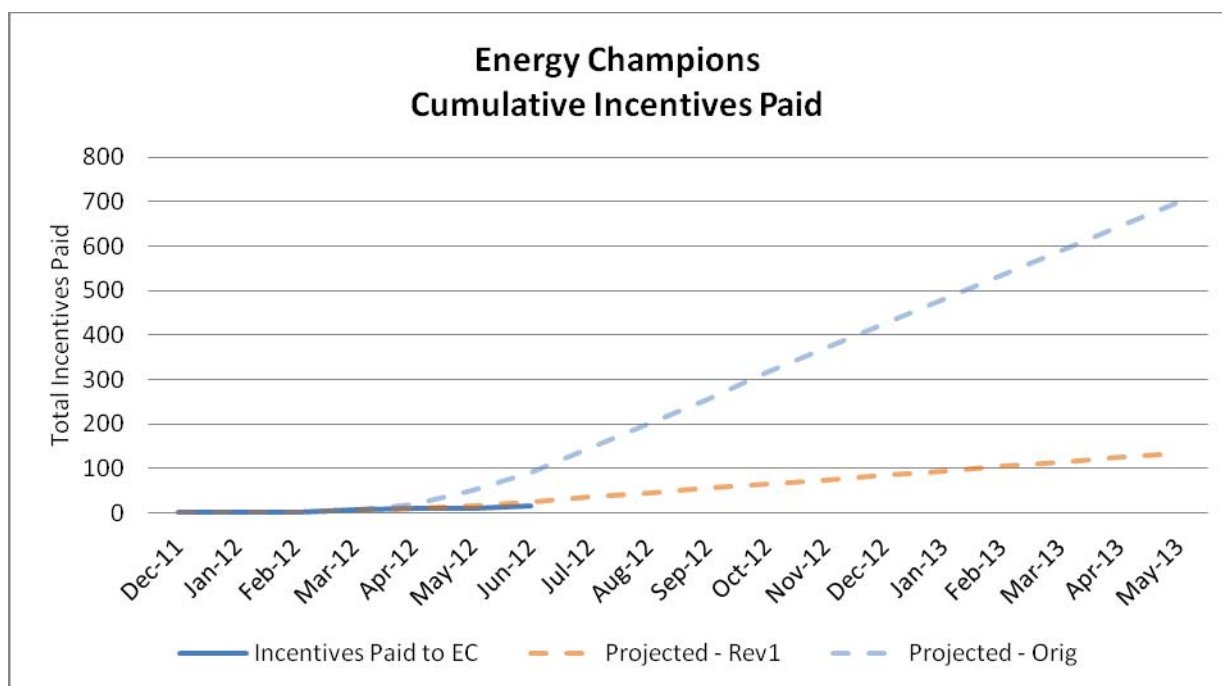


ALTHOUGH ADDITIONAL APPLICATIONS WERE RECEIVED AND APPROVED IN THE MONTH OF JUNE, THERE WERE ALSO A NUMBER OF INACTIVE LOAN APPLICATIONS THAT HAD BEEN PENDING FOR OVER 90 DAYS, WITH NO RETROFIT PROJECT STARTED. THESE LOANS WERE PUT INTO A CANCELLED/HOLD STATUS, REQUIRING A REACTIVATION BY THE HOMEOWNER AND A NEW CREDIT CHECK IF THEY WISHED TO CONTINUE. THE PENDING AMOUNTS OF THESE LOANS WERE REMOVED, THUS THE SLIGHT REDUCTION IN CUMULATIVE LOAN VALUE.



CONTRACTOR CO-OP MARKETING APPLICATIONS ARE STILL BELOW PROJECTIONS, BUT THERE WERE ADDITIONAL PARTICIPANT MATERIALS ORDERED, AS WELL AS NEW INCENTIVE APPLICATIONS IN THE MONTH OF JUNE.

Monthly EUCLA Graphics/Narrative – Through July 1, 2012



ENERGY CHAMPIONS HAVE SUBMITTED A TOTAL OF 79 PROJECT APPLICATIONS. HOWEVER, INCENTIVES ARE NOT PAID OUT UNTIL THE PROJECTS HAVE BEEN COMPLETED AND VERIFIED. THERE ARE CURRENTLY 12 INCENTIVES BEING PROCESSED FOR VERIFIED PROJECTS, WHICH WILL PROVIDE A SIGNIFICANT BOOST TO TOTALS FOR THE JULY REPORT.

(Revisions have been made to this program, and this chart has been revised to reflect an adjusted projection for total projects).

Major activities for the month of June, 2012

1. FlexPath has now received 653 total project applications as of June 30, 2012. The program's initial target of 500 projects has now been exceeded, and with a continuing display of interest, program capacity has now been expanded to a maximum of 1,500 projects.
2. In the month of June, the Energy Champions program verified the completion of an additional 12 projects for a total of 28 completed, out of 79 submitted to date. The most active Champions have become the focus of available resources, in an effort to drive more participation, and to assist with the processing of projects.
3. June results for the HVAC Contractor Pilot were the best yet. A total of 18 projects have been submitted for approval, and 6 incentive checks have been issued.